

Womble Bond Dickinson (US) LLP

1221 Main Street Suite 1600 Columbia, SC 29201

t: 803.454.6504

Belton T. Zeigler

Partner

Direct Dial: 803-454-7720 Direct Fax: 803-381-9120

E-mail: <u>Belton.Zeigler@wbd-us.com</u>

February 18, 2022

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd Chief Clerk/Executive Director Public Service Commission of South Carolina 101 Executive Center Drive Columbia, South Carolina 29210

Re: Docket No. 2021-307-E, Petition to Review Grid Reliability/Stability Proposal

Dear Ms. Boyd:

This Answer is filed on behalf of Dominion Energy South Carolina, Inc. ("DESC") in response to the Petition prepared by Mr. Ananta Gopalan and filed with the Public Service Commission of South Carolina (the "Commission") on September 9, 2021. DESC appreciates the opportunity to file these comments and thanks the Commission in advance for its consideration of them. DESC also thanks its customer, Mr. Gopalan, for the time, attention, and care he has devoted to his review of these matters.

Mr. Gopalan is a highly experienced engineer who provided comments in the Docket No. 2019-182-E, Dominion Energy South Carolina --Establishment of a Solar Choice Metering Tariff Pursuant to S.C. Code Ann. Section 58-40-20.\(^1\) As in that proceeding, Mr. Gopalan writes out his concern that his "interests [as a non-solar customer] are compromised when the government incentivizes connection of an unreliable, intermittent, and uncontrollable retail power sources [sic]." Wind and Solar Grid Isolation Architecture, Proposal to Secure Electric Grid Reliability (the "Proposal") at p. 2. The Proposal is for "a power grid isolation architecture that, while allowing the individual homeowners to generate power for their own use, will not [allow them] to push that power into the grid." Id. At the core of the Proposal is the requirement that all solar customers be required to install battery storage equal in capacity to twice their

¹ DESC referenced Mr. Gopalan's February 22, 2021 comments regarding subsidies offered to the solar industry in the hearing in Docket No. 2020-229-E. *See* Hearing Transcript of March 1, 2021, p. 1036, ll. 9-15

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average daily kilowatt hour consumption as well as a load manager and inverter to ensure that excess power generation is stored on site for later consumption and not exported to the grid.

Mr. Gopalan concludes that the Proposal will eliminate "the inherent unreliability of renewable power in the grid system, improving the grid stability and its manageability." *Id.* He adds that under it "customers that solely depend on the grid for their electrical power needs will not have to subsidize via tax incentives and rate charges those types of installations." *Id.*

As to the first point, while the Proposal clearly has a sound engineering basis, and shows a keen understanding of the challenges and limitations of solar generation, implementing it would be very costly for solar customers given the cost of battery assets. These costs would severely limit the practical utility of the Proposal.

Furthermore, while the Proposal would create a storage-based buffer against solar intermittency, it would not fully solve the issue of subsidization between solar and non-solar customers. Under the Proposal, solar customers would still depend on the grid to supply their need for power when their batteries were depleted as they would be from time to time by periods of weather or persistent cloud cover. The utility would still be required to build and maintain the generation, transmission and distribution assets required to serve these customers during those times of need. So long as solar customers are connected to the grid, and look to the grid to serve them in such times, they must either pay the full cost of the required grid investment or those costs must be paid by other customers. While the Proposal, if implemented, might reduce some costs incurred in responding to day-to-day solar intermittency, the Proposal does not change the realities concerning other, long-term costs which solar customers would place on the system.

DESC hopes its Answer provides a satisfactory response to the Proposal. The Company thanks Mr. Gopalan for his careful analysis and the public-spirited nature of his comments and encourages his continued participation in these matters.

Respectfully submitted,

/s/Belton T. Zeigler Womble Bond Dickinson (US) LLP 1221 Main Street, Suite 1600 Columbia, SC 29201 (803) 454-7720 belton.zeigler@wbd-us.com

Attorney for Dominion Energy South Carolina, Inc.

cc: All counsel of record